

- A determination of whether the threshold is satisfied
- Maps with overlay of competitive serving areas. (Disclosure of proprietary marketing information will not be required as part of a demonstration. Such information, if provided, shall be masked, or provided under proprietary cover.)

The Commission will evaluate the information for accuracy and determine whether 25 % of the LEC's demand is addressable by alternative supply.

C. NONDOMINANT TREATMENT

Issue 18:

Should we adopt rules now that would define the conditions LECs must meet to be considered nondominant? If so, should those conditions be what we used in Competitive Carrier, or some other conditions? Are there any reasons not to regulate a LEC as nondominant for some services and dominant for other services? Are there any reasons not to regulate a LEC as nondominant in some geographic markets and dominant in others? What procedure should a LEC follow to obtain nondominant status? What procedures would apply to a carrier that is determined to be nondominant?

SWBT proposes that LECs should be declared nondominant when the relevant market is determined to be significantly competitive such that the LEC cannot exert market power. In effect this would place the LEC on a level playing field with its competitors.

A nondominant showing can be made utilizing the relevant market model described above. Given that the scope of the relevant markets could be narrow, LECs could have non-dominant status for particular services or in particular geographic areas or for particular classes of customers while maintaining baseline or streamlined regulation in others. LECs should also be permitted to make a nondominant showing for some large aggregation of markets that had previously been streamlined.

The competitive criteria of addressability as well as the demand responsiveness characteristics utilized for streamlined regulation should also be applicable for a determination

of nondominance. For those markets previously streamlined, only a showing of supply responsiveness should be required. SWBT proposes that the threshold for non-dominant status should necessarily be more stringent than that for streamlined regulation. Therefore, in order to obtain a declaration of nondominance, LECs should be required to show that customers representing fifty percent of the incumbent exchange carrier's interstate access services demand (or total market demand) within the relevant market area have an alternative supply available to them and the LEC should also demonstrate full compliance with state requirements to open the local exchange markets. The creation of specific rules for local competition should be left to the state commissions to reflect the circumstances evident in each state.

Once a relevant market area is determined to be nondominant, exchange carriers should be permitted to file tariffs on one day's notice, as LEC competitors and AT&T currently do. Such tariffs shall be presumed lawful.⁷⁷ Any other flexibilities permitted nondominant carriers should be adopted for LEC markets which are declared to be nondominant.

As in the proposed process for a LEC to obtain streamlined regulatory treatment, the LEC would submit a certification letter requesting nondominant status for the relevant market. The certification letter would contain the relevant competitive demonstration and acknowledgement of compliance with state requirements to opening local exchange markets.

⁷⁷ The Commission has found that significantly streamlined filing requirements for non-dominant common carriers serve the public interest by promoting price competition, fostering service innovation, encouraging new entry into various segments of telecommunications markets and enabling firms to respond quickly to market trends. Tariff Filing Requirements for Non-dominant Common Carriers, CC Docket No. 93-36, Memorandum Opinion and Order, 8 FCC Rcd 6752, 6761 (1993).

The letter would be available for public comment, and would be considered accepted unless the Commission takes action otherwise within 21 days.

D. Second FNPRM In CC Docket No. 93-197: Changes To AT&T's Price Cap Plan

Issue 21:

Under what circumstances would the treatment of access charges imposed by LECs and other access providers under AT&T's price cap plan create actual bias in the access services market? Is there any reason not to treat CAP and LEC charges the same under the AT&T price cap plan?

Given the Commission's recent action allowing AT&T to be treated as a nondominant carrier,⁷⁸ this question may appear to be moot. However, if in future proceedings, the Commission finds it in the public interest to undertake fundamental rebalancing of LEC access rates such that access customers pay significantly lower access prices, these reductions should be passed on to end users on a dollar-for-dollar basis. For example, if the Commission, based on public interest arguments, implements an increase in the Subscriber Line Charges (SLC), which is borne by end users, sufficient to eliminate the Carrier Common Line (CCL) rates, which are paid for primarily by IXC's, the Commission must ensure commensurate toll rate reductions. Absent such a market result, end users would not experience the public benefits intended by the public policy.

⁷⁸ Motion of AT&T Corp. to be Reclassified as a Non-Dominant Carrier, Order (FCC 95-427) (rel. October 23, 1995).

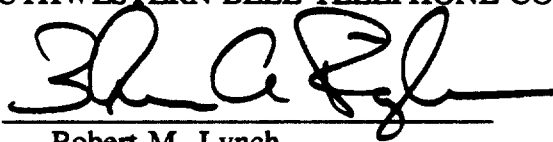
IV. CONCLUSION

For the foregoing reasons, SWBT respectfully requests that the Commission adopt a plan for adaptive regulation as described above. Such a plan would maximize consumer welfare in the absence of reconsideration of the Nondominant Filing Order on Remand.

Respectfully submitted,

SOUTHWESTERN BELL TELEPHONE COMPANY

By

A handwritten signature in black ink, appearing to read "R. M. Lynch", written over a horizontal line.

Robert M. Lynch
Durward D. Dupre
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December 11, 1995

**COMPETITIVE ACCESS PROVIDERS KNOWN TO BE OPERATING,
IN SWBT'S TERRITORY
AS OF NOVEMBER 1995**

(Not filed with the Commission in WordPerfect format)

**COMPETITIVE ACCESS PROVIDERS
SOUTHWESTERN BELL TELEPHONE COMPANY**

STATE	EXISTING CITY/AREA	CAP	PLANNED CITY/AREA	CAP
ARKANSAS	Little Rock	American Comm. Services, Inc.	Little Rock	Brooks Fiber, Metro Access
	North Little Rock	American Comm. Services, Inc.	North Little Rock	Brooks Fiber
KANSAS	Andover	Multimedia Hyperion, KINNET		
	Bonner Springs	KINNET		
	Cedar Vale	KINNET		
	Chautauqua	KINNET		
	Cherryvale	KINNET		
	Colby	KINNET		
	Dearing	KINNET		
	Dodge City	KINNET		
	Eastborough	KINNET		
	Edwardsville	KINNET		
	El Dorado	KINNET		
	Emporia	KINNET		
	Fairway	Kansas City Fibernet		
	Garden City	KINNET		

**COMPETITIVE ACCESS PROVIDERS
SOUTHWESTERN BELL TELEPHONE COMPANY**

STATE	EXISTING CITY/AREA	CAP	PLANNED CITY/AREA	CAP
	Hays	KINNET		
	Hutchinson	KINNET		
	Iola	KINNET		
	Kansas City	KINNET, Kansas City Fibernet	Kansas City	MFS
	Kechi	Multimedia Hyperion		
	Kinsley	KINNET		
	La Crosse	KINNET		
	Lansing	Kansas City Fibernet		
	Latimer	KINNET		
	Lawrence	KINNET		
	Leavenworth	Kansas City Fibernet		
	Leawood	Kansas City Fibernet		
	Lenexa	Kansas City Fibernet, KINNET		
	Liberal	KINNET		
	Medicine Lodge	KINNET		
	Merriam	Kansas City Fibernet		

**COMPETITIVE ACCESS PROVIDERS
SOUTHWESTERN BELL TELEPHONE COMPANY**

STATE	EXISTING CITY/AREA	CAP	PLANNED CITY/AREA	CAP
	Mission	Kansas City Fibernet		
	Mission Woods	Kansas City Fibernet		
	Ottawa	KINNET		
	Overland Park	Kansas City Fibernet, KINNET		
	Paola	KINNET		
	Park City	Multimedia Hyperion		
	Parsons	KINNET		
	Phillipsburg	KINNET		
	Plainville	KINNET		
	Pratt	KINNET		
	Prairie Village	Kansas City Fibernet		
	Protection	KINNET		
	Roeland Park	Kansas City Fibernet		
	Salina	KINNET		
	Shawnee	Kansas City Fibernet, KINNET		

**COMPETITIVE ACCESS PROVIDERS
SOUTHWESTERN BELL TELEPHONE COMPANY**

STATE	EXISTING CITY/AREA	CAP	PLANNED CITY/AREA	CAP
	Smith Center	KINNET		
	South Hutchinson	KINNET		
	Stafford	KINNET		
	Sublette	KINNET		
	Topeka	KINNET		
	Wellington	KINNET		
	Westwood	Kansas City Fibernet		
	Wichita	Multimedia Hyperion, KINNET		
	Winfield	KINNET		
MISSOURI	Belton	Kansas City Fibernet		
	Berkeley	MFS		
	Brentwood	MFS		
	Bridgeton	MFS		
	Chesterfield	MFS, TCG		
	Clayton	MFS		
	Clayton	TCG		

**COMPETITIVE ACCESS PROVIDERS
SOUTHWESTERN BELL TELEPHONE COMPANY**

STATE	EXISTING CITY/AREA	CAP	PLANNED CITY/AREA	CAP
	Cool Valley	MFS		
	Creve Coeur	MFS, TCG		
	Edmundson	MFS		
	Gladstone	Kansas City Fibernet		
	Grandview	Kansas City Fibernet		
	Hanley Hills	MFS		
	Hazelwood	MFS		
	Independence	Kansas City Fibernet		
	Kansas City	Kansas City Fibernet	Kansas City	MFS
	Kinloch	MFS		
	Ladue	MFS, TCG		
	Lee's Summit	Kansas City Fibernet		
	Liberty	Kansas City Fibernet		
	Maryland Heights	TCG, MFS		
	Normandy	MFS		
	North Kansas City	Kansas City Fibernet		
	Oaks	Kansas City Fibernet		

**COMPETITIVE ACCESS PROVIDERS
SOUTHWESTERN BELL TELEPHONE COMPANY**

STATE	EXISTING CITY/AREA	CAP	PLANNED CITY/AREA	CAP
	Oakview	Kansas City Fibernet		
	Oakwood Park	Kansas City Fibernet		
	Oakwood	Kansas City Fibernet		
	Olivette	MFS, TCG		
	Overland	MFS, TCG		
	Pagedale	MFS		
	Parkville	Kansas City Fibernet		
	Pleasant Valley	Kansas City Fibernet		
	Raytown	Kansas City Fibernet		
	Richmond Heights	MFS, TCG		
	St. Louis	MFS, TCG	St. Louis	Digital Teleport, Intermedia Communications, MCI Metro, SP Telecom
	St. Ann	MFS		
			Springfield	Springfield Fibernet
	University City	MFS, TCG		
	Vinita Park	MFS		
	Vinita Terrace	MFS		

**COMPETITIVE ACCESS PROVIDERS
SOUTHWESTERN BELL TELEPHONE COMPANY**

STATE	EXISTING CITY/AREA	CAP	PLANNED CITY/AREA	CAP
	Wellston	MFS		
	Westwood	TCG		
OKLAHOMA	Bethany	Cox Fibernet		
	Broken Arrow	Brooks Fiber		
	Catoosa	Brooks Fiber		
	Del City	Dobson Fiber		
	Midwest City	Dobson Fiber		
	Nichols Hills	Cox Fibernet		
	Nicoma Park	Dobson Fiber		
	Oklahoma City	Brooks Fiber, Cox Fibernet, Dobson Fiber	Oklahoma City	Indian Nations Fibernet, Metro Access, MFS
	Owasso	Brooks Fiber		
	Tulsa	Brooks Fiber	Tulsa	MFS
	Turley	Brooks Fiber		
	Village	Cox Fibernet		
	Warr Acres	Cox Fibernet		
TEXAS	Addison	MFS, TCG		
	Alamo Heights	TWC (Fibrcom)		

**COMPETITIVE ACCESS PROVIDERS
SOUTHWESTERN BELL TELEPHONE COMPANY**

STATE	EXISTING CITY/AREA	CAP	PLANNED CITY/AREA	CAP
	Aldine	MFS, Phonoscope, TWC of Houston		
	Austin	Metro Access, TWC of Austin	Austin	ACSI, City Signal, Communications Transmission Group, Inc., MCI Metro, MFS
	Bellaire	MFS, Phonoscope, TWC of Houston	Bellaire	MCI Metro
	Brushy Creek	TWC of Austin		
	Bunker Hill	Phonoscope, TWC of Houston		
	Carrollton	MFS, TCG		
	Castle Hills	TWC (Fibrcom)		
	China Grove	TWC (Fibrcom)		
	Converse	TWC (Fibrcom)		
	Coppell	TCG		
			Corpus Christi	CSW Communications, Inc.
	Dallas	MFS, TCG		
			El Paso	ACSI, Greenstar Telecommunications, Metro Access, TWC of El Paso
	Eules	TCG		
	Farmers Branch	MFS, TCG		

**COMPETITIVE ACCESS PROVIDERS
SOUTHWESTERN BELL TELEPHONE COMPANY**

STATE	EXISTING CITY/AREA	CAP	PLANNED CITY/AREA	CAP
	Fort Worth	ACSI, Metro Access, TCG		
	Grapevine	TCG		
			Harlingen	CSW Communications, Inc.
	Hedwig	Phonoscope, TWC of Houston		
	Highland Park	MFS		
	Hill Country	TWC (Fibrcom)		
	Hilshire	Phonoscope		
	Houston	MFS, Phonoscope, TCG, TWC of Houston	Houston	MCI Metro
	Hunters Creek	Phonoscope, TWC of Houston		
	Hurst	TCG		
	Irving	TCG		
	Jersey Village	MFS, TWC of Houston		
	Jollyville	TWC of Austin		
	Kirby	TWC (Fibrcom)		
	Lackland AFB	TWC (Fibrcom)		
			Laredo	TWC (Fibrcom)
	League City	TCG		

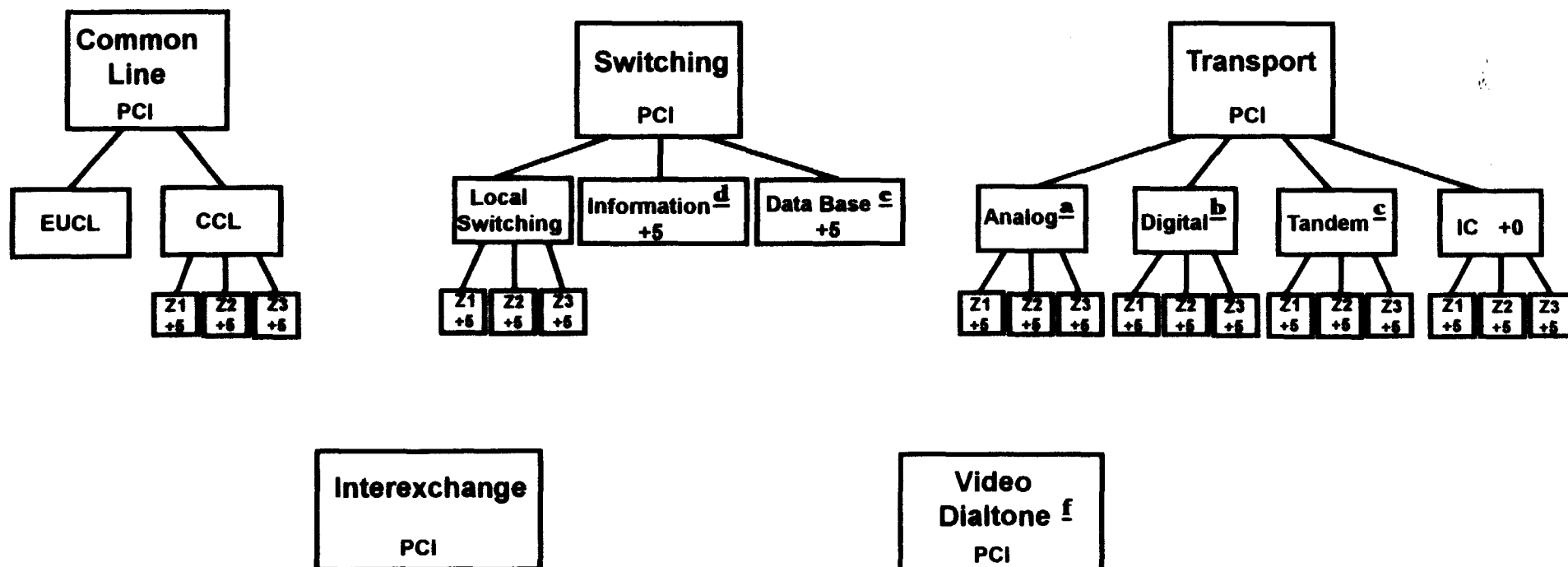
**COMPETITIVE ACCESS PROVIDERS
SOUTHWESTERN BELL TELEPHONE COMPANY**

STATE	EXISTING CITY/AREA	CAP	PLANNED CITY/AREA	CAP
	Leon Valley	TWC (Fibrcom)		
	Live Oak	TWC (Fibrcom)		
			Lubbock	TCG
			McAllen	CSW Communicaitons, Inc.
	Mesquite	TCG		
	Mission Bend	TWC of Houston		
	Olmos Park	TWC (Fibrcom)		
	Pasadena	TCG		
	Piney Point	Phonoscope		
	Plano	MFS, TCG		
	Richardson	MCI Metro, MFS, TCG		
	Richland Hills	TCG		
	Roanoke	TCG		
	Rollingwood	TWC of Austin		
	Round Rock	TWC of Austin		
	San Antonio	TWC (Fibrcom)	San Antonio	Metro Access
	Shavano Park	TWC (Fibrcom)		

**COMPETITIVE ACCESS PROVIDERS
SOUTHWESTERN BELL TELEPHONE COMPANY**

STATE	EXISTING CITY/AREA	CAP	PLANNED CITY/AREA	CAP
	South Houston	TCG		
	Southlake	TCG		
	Southside Place	TWC of Houston		
	Spring	TWC of Houston		
	Spring Valley	Phonoscope, TWC of Houston		
	Terrell Hills	TWC (Fibrcom)		
	Trophy Club	TCG		
	Universal City	TWC (Fibrcom)		
	University Park	MFS, TCG		
	Webster	TCG		
	West University Place	TWC of Houston		
	Westlake	TCG		
	Westlake Hills	TWC of Austin		
	Windcrest	TWC (Fibrcom)		

PROPOSED BASELINE BASKET STRUCTURE



^a Analog service category includes Voice Grade, Audio, Video, Wideband

^b Digital service category includes DDS, DS1, DS3

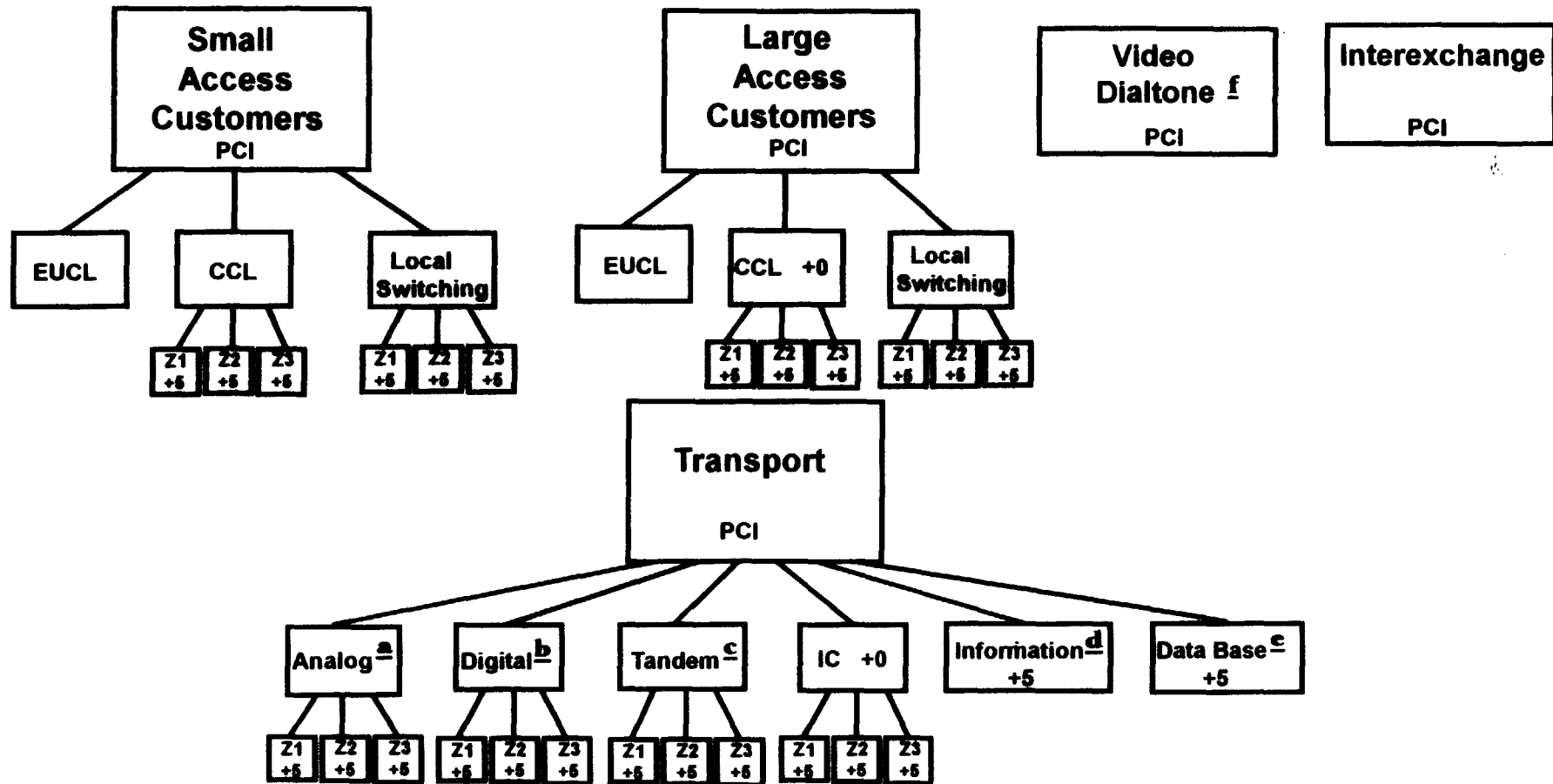
^c Tandem service category includes Tandem Switching, Tandem Transport

^d Information service category includes Billing Name & Address (BNA, Directory Assistance, Directory Assistance Call Completion

^e Data Base service category includes 800 Data Base, 800 Vercticle Services, Line Information Data Base (LIDB)

^f SWBT believes that Video Dialtone should not be subject to Price Cap Regulations [see SWBT comments CC Docket 94-1 Third FNPRM, filed October 27, 1995]

OPTIONAL BASELINE BASKET STRUCTURE



^a Analog service category includes Voice Grade, Audio, Video, Wideband

^b Digital service category includes DDS, DS1, DS3

^c Tandem service category includes Tandem Switching, Tandem Transport

^d Information service category includes Billing Name & Address (BNA, Directory Assistance, Directory Assistance Call Completion

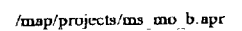
^e Data Base service category includes 800 Data Base, 800 Vercticle Services, Line Information Data Base (LIDB)

^f SWBT believes that Video Dialtone should not be subject to Price Cap Regulations [see SWBT comments CC Docket 94-1 Third FNPRM, filed October 27, 1995]

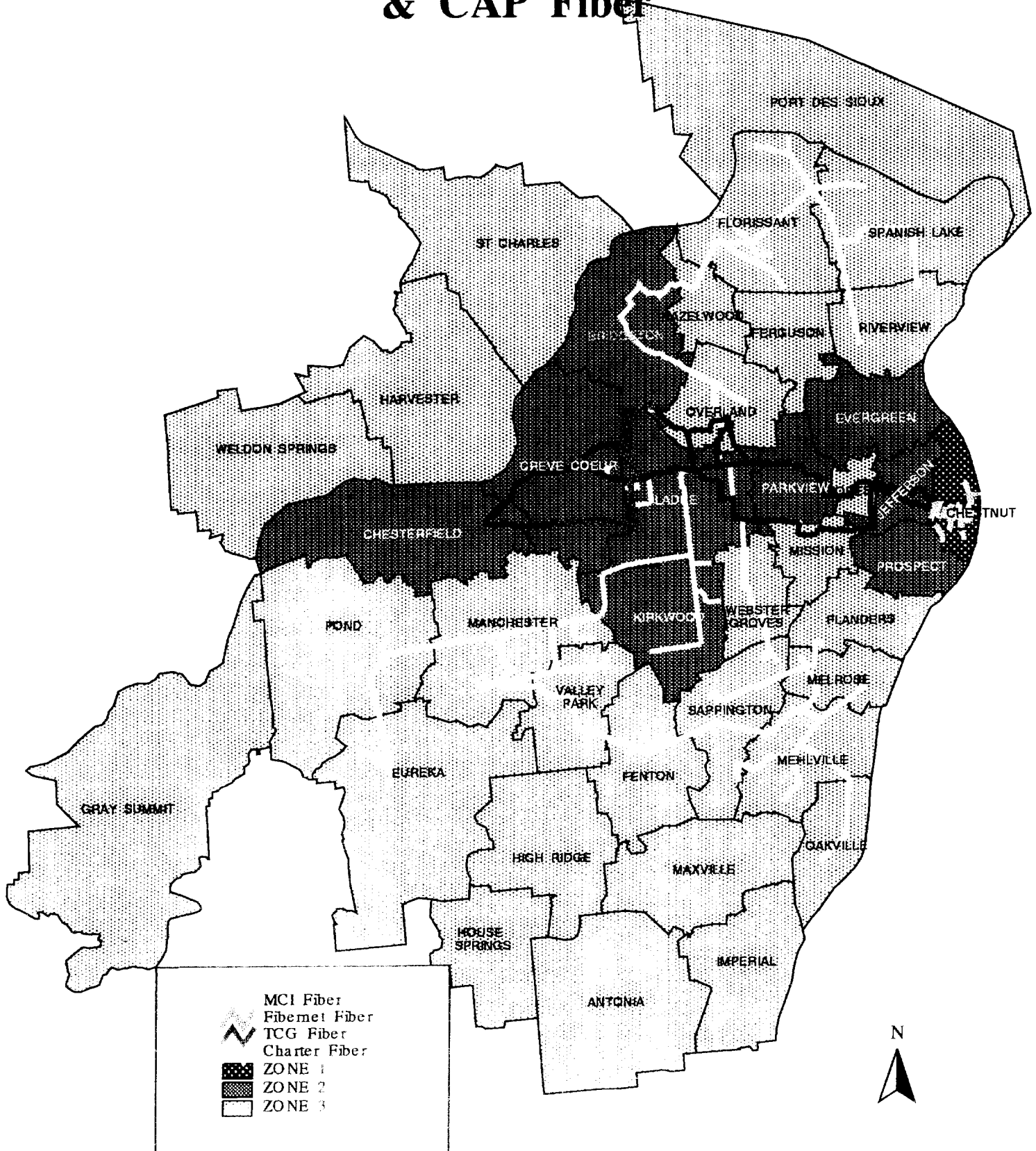
**MAPS DEPICTING SWBT WIRE CENTERS,
SWBT DENSITY ZONES AND
CAP FIBER IN THE ST. LOUIS METRO AREA**

(Not filed with the Commission in WordPerfect format)

A map of the state of Indiana, showing its county boundaries. The map is oriented with the state's outline. Various counties are shaded with a stippled pattern, indicating specific land use or ownership. The shading is concentrated in the western and central parts of the state, with some scattered shaded areas in the north and south. The map is a black and white line drawing with stippling for shading.

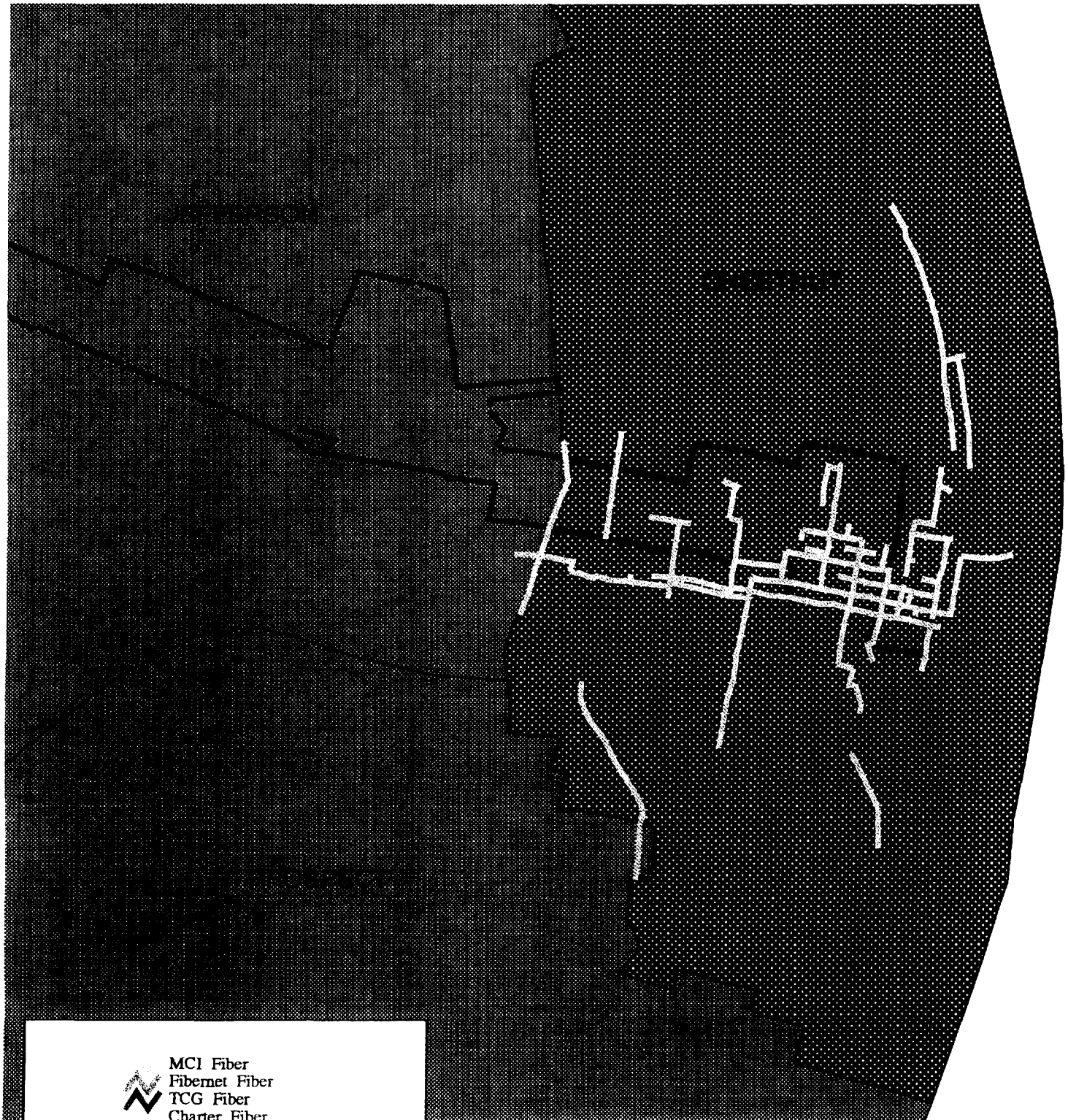


St Louis Metro Area SWBT Wire Centers, SWBT Zones & CAP Fiber



2 0 2 4 6 Miles

St Louis Metro Area (Downtown) SWBT Wire Centers, SWBT Zones & CAP Fiber



- MCI Fiber
- Fibernet Fiber
- TCG Fiber
- Charter Fiber
- ZONE 1
- ZONE 2
- ZONE 3



0.25 0 0.25 Miles

CERTIFICATE OF SERVICE

I, Katie M. Turner, hereby certify that the foregoing, "Comments Of Southwestern Bell Telephone Company" in Docket No. 94-1, 93-124, 93-197, has been filed this 11th day of December, 1995 to the Parties of Record.

Katie M. Turner

Katie M. Turner

December 11, 1995

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